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Message Text

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17
ACTION EA-07

INFO OCT-01 ISO-00 EB-05 RSC-01 DRC-01 /015 W
---------- 075944
R 060455Z FEB 74
FM AMEMBASSY JAKARTA
TO USDOC WASHDC
AMCONSUL HONG KONG
INFO AMEMBASSY BANGKOK
SECSTATE WASHDC 715

UNCLAS JAKARTA 1564

E.O. 11652: N/A
TAGS: BDIS, ID
SUBJ: TRADE DISPUTE: PLN AGAINST WESTINGHOUSE

REF: JAKARTA 1531

1. EMBASSY RECEIVED LETTER FROM PERUSAHAAN UMUM LISTRIK NEGARA (PLN), THE GOI NATIONAL ELECTRIC POWER COMPANY, ENCLOSING COPY THEIR JANUARY 30 LETTER TO WESTINGHOUSE ELECTRIC CORP., PITTSBURGH, PA. COMPLAINING OF WESTINGHOUSE FAILURE MEET CONTRACT TERMS TO SUPPLY AND ERECT 25 MW GAS TURBINE IN SURABAYA, INDONESIA.

2. PROJECT IN QUESTION IS PART U.S. ASSISTANCE PROGRAM IN INDONESIA FINANCED BY USAID LOAN #026. PROJECT BADLY NEEDED IN THIS COUNTRY WHERE POWER SUPPLY IS MAJOR BOTTLE NECK IN ECONOMIC DEVELOPMENT PROGRAM. WESTINGHOUSE PURPORTED FAILURE PERFORM IN ACCORDANCE WITH CONTRACT NOT ONLY REFLECTS UPON WESTINGHOUSE BUT ALSO UPON BASIC CONCEPT OF RESTRICTED PROCUREMENT US AID.

3. PLN STATES THAT COMPLETION DATE FOR TURBINE UNIT WAS OCTOBER, 1973 AND THAT THEY WROTE WESTINGHOUSE OCTOBER 25, 1973 REQUESTING COMPLIANCE WITH CONTRACT, POINTING OUT PENALTY CLAUSE PROVISIONS. PLN STATES THAT THEY HAVE STILL RECEIVED NO RPT NO REPLY TO THAT LETTER.

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4. BASED ON THEIR DISAPPOINTMENT WITH ABOVE WESTINGHOUSE

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NON-PERFORMANCE, PLN CONCERNED ABOUT SECOND AND THIRD CONTRACTS WITH WESTINGHOUSE FOR FUTURE DELIVERY FOUR ADDITIONAL GAS TURBINE UNITS FOR JAKARTA USAID-LOAN PROJECTS. USAID JAKARTA QUERYING USAID WASHINGTON AND WESTINGHOUSE BANGKOK OFFICE CONCERNING PROCUREMENT ARRANGEMENTS (SEE REFTEL).

ACTION REQUESTED

5. USDOC PLEASE CONTACT WESTINGHOUSE, DETERMINE STATUS ALL THREE PLN CONTRACTS, STRONGLY URGE WESTINGHOUSE MEET THEIR COMMITMENTS, AND ASK THEM REPLY TO PLN JANUARY 30 LETTER IMMEDIATELY BY TELEX (NO. 011-6186) OR TELEPHONE (70301). USDOC PLEASE ALSO CABLE RESULTS TO EMBASSY.

6. HONG KONG: PLEASE ADVISE WESTINGHOUSE RRZSNAL SALES OFFICE CONTENTS THIS MESSAGE.
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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: n/a
Control Number: n/a
Copy: SINGLE
Draft Date: 06 FEB 1974
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: n/a
Disposition Approved on Date:
Disposition Authority: n/a
Disposition Case Number: n/a
Disposition Comment:
Disposition Date: 01 JAN 1960
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1974JAKART01564
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: N/A
Errors: N/A
Film Number: n/a
From: JAKARTA
Handling Restrictions: n/a
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